

# EXHIBIT 32

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

IN RE: THE FINANCIAL )  
OVERSIGHT AND MANAGEMENT ) Case No. 17-BK-3283-LTS  
BOARD FOR PUERTO RICO, )  
AS A REPRESENTATIVE OF THE )  
COMMONWEALTH OF PUERTO )  
RICO, ET AL., )  
Debtors. )

IN RE: THE FINANCIAL ) Case No. 17-BK-4780-LTS  
OVERSIGHT AND MANAGEMENT )  
BOARD FOR PUERTO RICO, )  
AS A REPRESENTATIVE OF THE )  
PUERTO RICO ELECTRIC POWER )  
AUTHORITY, )  
Debtor. )

\*\*\*\*\*

ORAL AND VIDEOTAPED DEPOSITION OF

COREY ALLEN SCHNEIDER

JUNE 1, 2023

\*\*\*\*\*

1 for ten years.

2 Q. And what is "SRP"?

3 A. System Remediation Program.

4 Q. Can you explain to me how PREPA  
5 prepares a forecast -- a ten-year forecast of its  
6 SRP capital expenditures?

7 A. I'm sorry. You said how PREPA  
8 prepares them?

9 Q. I'm sorry. Let me -- I should have  
10 said LUMA. Let me ask it again. Can you explain  
11 to me the process LUMA undertakes to prepare  
12 Capex forecasts, in general?

13 A. For which period of time? I think  
14 the answer is different. Can you clarify that?

15 Q. Well, can you explain to me what you  
16 -- what different periods of times would you be  
17 referring to? Let's start there.

18 A. The immediate budget year and the  
19 next following -- or the next two following  
20 years, and then any periods after that.

21 Q. So let's start with for the immediate  
22 budget year. What is LUMA's process for  
23 preparing a Capex budget?

24 A. LUMA goes through detailed bottoms-up  
25 preparation of Capex by program. And those are

1 done by the program brief owners and. That  
2 information is then aggregated by my team into an  
3 overall need to meet the system remediation  
4 program timelines.

5 Q. And can you explain more what  
6 specific information is being relied on to  
7 determine the amount of capital expenditures  
8 needed for the immediate period for the next  
9 year?

10 A. I think that information varies by  
11 system remediation program. The program brief  
12 owners for those are responsible for their  
13 individual Capex forecasts and the information  
14 that those people rely upon would be individual  
15 to those individual program briefs.

16 Q. So, for example, does it involve  
17 looking at the state of particular assets in the  
18 transmission and distribution system and when  
19 they -- how much it will cost to repair them? Is  
20 that an example of the information that's  
21 considered?

22 A. Absolutely, but let's just be clear,  
23 it is for meeting the objectives -- the  
24 objectives of the individual system remediation  
25 program and the Capex that is needed to meet the

1 objectives of that individual program, rather  
2 than a general Capex spend.

3 Q. Can you give me an example that  
4 you're familiar with of how a particular program  
5 goes about assessing its immediate Capex needs?

6 A. Sure. So our AMI program, we have  
7 examined as a company the number of meters that  
8 will need to be installed across all of our  
9 customers, as well as the related telemetrics  
10 that are needed to be installed and we forecasted  
11 the amount of capital that would need to be spent  
12 to buy those meters, install those meters, and  
13 all of the related infrastructure.

14 Q. Is a similar process undertaken for  
15 other programs assessment of their immediate  
16 Capex needs?

17 A. For all of the system remediation  
18 programs, the program brief owners are  
19 responsible for that, yes.

20 Q. So, then, you said that the next type  
21 of forecast is for two years out. Is that right?

22 A. The current year budget and then two  
23 years out is what we spend more detailed time on,  
24 yes.

25 Q. So for the two years out period, is

1 the process the same as for the immediate period  
2 or are there differences?

3 A. I believe it is all the same.

4 Q. I believe you said that, then,  
5 there's forecasting for period past, I guess it  
6 would be three years out through ten years. Is  
7 that fair?

8 A. Just for the system remediation  
9 program, correct, and the FEMA spend.

10 Q. For the system remediation program --  
11 can we call that period from, I guess it would be  
12 after three years through ten years, the  
13 long-term forecast just to make it easier to talk  
14 about?

15 A. Sure.

16 Q. So for this long-term forecast for  
17 the -- for Capex needed for SRP, can you explain  
18 to me how LUMA prepares that forecast?

19 A. I believe it's somewhat similar to  
20 the short-term. However, there's an objective or  
21 milestones that need to be met and the dollars  
22 that are needed to be spent for those milestones.  
23 And as you get farther out, the variability or  
24 the preciseness of the Capex forecast will go  
25 down just based upon obvious variables.

1           A. They were separate at the time they  
2           were ordered.

3           Q. Are they separate in the 2020 -- in  
4           the fiscal year 2024 proposed LUMA budget?

5           A. When you say "separate," can you  
6           please help me with that?

7           Q. Sure. Well, I'll move on from that.  
8           Are there other PREB-ordered Capex expenditures?

9           A. Yes, but we haven't been able to  
10          quantify some of them. So, for example, the EV  
11          program or DG program, some Capex related to  
12          those, to my knowledge.

13          Q. You mentioned -- after you mentioned  
14          general maintenance Capex, you also said other  
15          non-SRP Capex. Was there something in particular  
16          you were referring to?

17          A. Yes. So there are other deficiencies  
18          that have been identify by LUMA on the system  
19          that don't meet the threshold of an SRP that will  
20          still require Capex to remediate and fix the  
21          system to bring it to a prudent utility standard.

22          Q. In preparing the SRP and FEMA Capex  
23          forecasts that we've just been talking about,  
24          does LUMA rely on comparisons to Capex  
25          expenditures by other utilities?

1 A. Not that I'm aware.

2 Q. Why doesn't it?

3 A. We're focused on the specific  
4 improvements that are needed within the system  
5 that we operate and the Capex that's required to  
6 remediate those specific deficiencies.

7 MR. MAYRELL: Could we take a  
8 five-minute break and then we can come back?

9 MR. INGERMAN: Sure.

10 THE VIDEOGRAPHER: All parties in  
11 agreement with going off the record?

12 MR. INGERMAN: Yes.

13 THE VIDEOGRAPHER: We are going off  
14 the record at 9:58 a.m.

15 (Break.)

16 THE VIDEOGRAPHER: We are going back  
17 on the record at 10:07 a.m.

18 Q. (By Mr. Mayrell) Mr. Schneider, I  
19 want to show you a document.

20 MR. MAYRELL: If the concierge could  
21 pull up the document that is tab 3 and it was  
22 previously marked in the earlier section of this  
23 deposition as Exhibit 2. And it's the fiscal  
24 year 2024 to 2026 LUMA budget.

25 Q. (By Mr. Mayrell) We'll try -- I



1 position with respect to whose responsibility it  
2 is to obtain matching funds for the federal  
3 grants?

4 MR. INGERMAN: Objection. Form.  
5 Scope. You can answer.

6 A. Yes, it does. The government of  
7 Puerto Rico owns PREPA and it's either PREPA --  
8 well, it's -- under FEMA block grants, it is the  
9 recipient that needs to have the matched funding,  
10 and that is either PREPA or the government of  
11 Puerto Rico.

12 Q. (By Mr. Mayrell) Has LUMA suggested  
13 that these matching funds should come from an  
14 increase in rates?

15 A. Not that I'm aware.

16 MR. INGERMAN: Objection. Form.

17 A. Not that I'm --

18 MR. INGERMAN: You can answer.

19 A. Not that I'm aware.

20 MR. MAYRELL: Just a moment. Can the  
21 concierge pull up Tab 11? And if the concierge  
22 can remind what exhibit number we're on.

23 THE VERITEXT CONCIERGE: This is  
24 Exhibit 3.

25 Q. (By Mr. Mayrell) Mr. Schneider, for